
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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School Property Tax Control Board Meeting Minutes April 20, 2006

The monthly meeting of the School Property Tax Control Board was held on Thursday, April 20, 2006. The meeting was held in the Indiana Government Center South, Conference Center Room 2, 302 West Washington Street, Indianapolis, IN 46204. Those in attendance were Roger Umbaugh, Chuck Nemeth, Morris Mills, Debbie Hine, Joe Bronnert, Richard Besinger, Dave Bowen, Kurt Barrow and Teresa Hemmerle, Administrative Officer.

Minutes and Discussion: March 16, 2006 meeting minutes.

Marion-Adams Schools, Hamilton/Boone County: Officials requested approval of a pension bond issue in the amount of \$475,000. The term of the bond is 20 years. The tax rate impact is \$0.0157. The hearing information sheet states the Capital Projects and Bus Replacement funds will be reduced to offset the debt. This is the second request for a pension bond by this school corporation. The first issue of \$555,000 was approved by the DLGF on November 19, 2002. The school corporation has reached an agreement with the teachers' union regarding the unfunded liability.

Present for the hearing was Dr. Scott Robison, Superintendent; John Terhune, Teachers' Association Past President; Paul Donnelson, Actuary; Nate Day, Tom Grabill and Doug Cassman, Educational Services Company and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials have a signed and ratified agreement, which was submitted along with the proofs of publication and school board resolutions. He discovered the unfunded liability upon his arrival at the district 13 months ago. This is a small issue compared to other school districts, but it is large to them. Officials have collaborated well with their employees and this issue will eliminate their unfunded liability.

Mr. Mills asked if this issue covers mostly administrative pension liability. The Superintendent said the first bond issue covered of the other employees as well as the special education cooperative.

Mr. Bronnert asked why such a long term for repayment. The Superintendent said the neutrality requirement is difficult with such a small budget and officials felt this was in the best interest of the district.

Ms. Hine asked how officials planned to use the Rainy Day fund. The Superintendent said they have a number of catastrophic building issues as well as building needs at the high school.

They will also utilize it for any unforeseen circumstances. He feels the balance is small given the needs they have currently.

Motion: Mr. Nemeth made a motion to approve a pension bond issue in the amount of \$475,000. Mr. Umbaugh seconded the motion, which favorably carried 7-0. (Mr. Barrow was absent from the vote.)

Kokomo-Center Township Consolidated School Corporation, Howard County: Officials requested approval of a pension bond issue in the amount of \$4,245,000. The term of the bond is 15 years. The tax rate impact is \$0.0158. The Neutrality Resolution states the Capital Projects and Bus Replacement funds will be reduced in 2007 to offset the debt. This is the first request for a pension bond issue. School officials reached a solution with teachers in March 2006.

Present for the hearing was Dr. Thomas Little, Superintendent; Eric Rody, Business Manager; Gerri Smalling, Coordinator of Fiscal Services; Tom Grabill and Nate Day, Educational Services Company and Thomas Peterson, Ice Miller.

Comments: The Business Manager spoke about the proposed pension bond issue. They have a pension liability of \$5.7 million and are requesting \$4,245,000. An agreement has been ratified by teachers and approved by the school board on March 15, 2006. This bond issue is necessary to fund that agreement. The Capital Projects fund will be reduced to offset the debt. A reduction of \$0.017 in the Capital Projects fund is not a detriment to the building repair plan.

Mr. Mills noted the Capital Projects fund rate goes up according to the hearing information sheet. Mr. Day said that was an error on his part. The math is wrong and the rate should go down. He thought he submitted a revised form to Ms. Hemmerle.

Mr. Umbaugh asked if the revised form would be submitted to the DLGF and Mr. Day replied yes. Mr. Umbaugh asked about new hires between June 30, 2001 and March 15, 2006. The Business Manager said anyone employed by the district as of March 15, 2006 is covered by this plan. Mr. Umbaugh asked what would be done with new hires. Mr. Cassman said the liability was calculated on a global basis and they are using the amount of unfunded liability as of June 30, 2001. He said the teachers' association gave up some benefits to reach this agreement.

Mr. Mills asked if this is the second request for pension bonds and the Business Manager said this is the only pension bond they have requested.

Motion: Mr. Umbaugh made a motion to approve a pension bond issue in the amount of \$4,245,000. Ms. Hineline seconded the motion, which favorably carried 7-0. (Mr. Barrow was absent from the vote.)

Franklin Community School Corporation, Johnson County: Officials requested approval of a general obligation bond issue in the amount of \$860,000. The total project cost is \$860,000. The term of the bond is 2 years. The tax rate impact is \$0.04 and no new facility appeal is planned. The common construction wage scale was passed by a vote of 2-1-1. The Governor's

representative abstained and the AFL-CIO representative voted against the wage scale. The issue fell below the threshold for a petition and remonstrance process.

Present for the hearing was Bill Patterson, Superintendent; Steve Millikan, Business Manager; Roger Young, School Attorney; Dave Blanton, Gibraltar Design; Lonnie Therber, Therber & Brock and Thomas Peterson, Ice Miller.

Project: Webb Elementary is a 58,220 square foot school originally constructed in 1966. No additions or improvements have been made to the facility. Restrooms are being provided in lieu of the unused existing gym locker rooms since there is insufficient student or public gang toilets on the first floor. Second floor restroom facilities are in need of repiping and do not currently meet ADA standards. Issues relative to HVAC upgrades and air quality need to be addressed throughout the building, including the kitchen. Through-wall flashing on the north side first floor roof needs to be reworked to eliminate leaking in the cafeteria below. Sanitary piping below the first floor slab needs to be replaced to address an annual back-up problem. Existing stair handrails and guardrails do not meet current guidelines for safety.

Comments: The Superintendent spoke about the project. Officials are requesting a bond issue to address needs at Webb Elementary School. A committee was formed in the fall of 2004 to review building needs. The committee made several recommendations to the school board and those suggestions were taken to the community. Modifications were made to the proposal of the committee. The decision to be made was to add on to Webb Elementary or build a new facility to replace it. There is a concern as to the need of the facility as they have experienced growth of 8% over the past two years. Officials decided to wait and see if growth continued. This project will address plumbing and air quality problems at Webb Elementary School. These updates will need to be done whether this building is continued to be used as a school or some other purpose.

Mr. Mills asked why funding this small project with a bond issue. The Business Manager said they would have handled this project through the Capital Projects fund, but current obligations in the fund will not allow this to be funded in that manner. There has been a change in the school board membership and they feel this project is necessary. Mr. Mills asked if some current debt is to be paid off soon. The Business Manager said the debt will be level as the new high school repayment begins.

Mr. Bronnert asked where Webb Elementary School is located and the Superintendent said it is on the east side of town. Mr. Bronnert asked if that is an area experiencing growth and the Superintendent said it is currently. Mr. Bronnert asked if the capacity of 500 is reasonable. The Superintendent said the lower floor is filled and certain students are unable to access the second floor. Mr. Bronnert asked if there was not sufficient room to grow at the facility. The Superintendent replied no and noted there are children from a neighboring subdivision attending a different school because of the lack of space.

Mr. Mills asked if officials were looking to utilize the second floor of the facility. School officials said the 4th and 5th grades are already housed on the second floor.

Mr. Bronnert asked how far east past Interstate 65 does the school corporation encompass. The Superintendent said they go all the way to the Shelby County line. The Superintendent noted developers are interested in school owned property across from Webb Elementary School. Mr. Bronnert asked if the needs of other facilities have been studied. The Superintendent said the updated report is due next month. They will be coming back before the control board this fall about the old high school as space is needed at the middle school level.

Motion: Ms. Hineline made a motion to approve a general obligation bond issue in the amount of \$860,000. Mr. Nemeth seconded the motion, which favorably carried 8-0.

Monroe-Gregg School District, Morgan County: Officials requested approval of a general obligation bond issue in the amount of \$2,000,000. Total project costs are \$2,000,000. The tax rate impact is \$0.04 with no new facility appeal planned. The common construction wage was passed by a vote of 3 to 1. The issue fell below the threshold for a petition and remonstrance process. The issue also was not subject to the construction cost thresholds since it is a renovation/update project.

Present for the hearing was Paul Kaiser, Superintendent; Kelly Dillon, Treasurer; Steve Harris, School Attorney; Randy Ruhl and Kelly McNairy, City Securities and Thomas Peterson, Ice Miller.

Project: The Monrovia High School roof system is in need of repair along with the HVAC system. We plan to utilize an energy management project to replace the HVAC system throughout the building, replace the windows, and the lighting. There will not be any cosmetic changes to the building except where the old HVAC units are replaced.

Officials feel the learning environment will improve in each classroom because the noise level will be reduced or eliminated because of replacement of the new units. The temperature control will be enhanced thus improving the learning opportunities for the students. Currently, the heating and cooling is controlled by turning off the breakers in the hallway. Only one educational program is being limited currently from functioning properly, which is the CAD lab because of the roof leaks in that classroom.

Project Cost Information

Construction costs including HVAC equipment	\$1,642,000
Construction Management	\$ 75,000
Construction Contingencies	\$ 75,000
Architectural Fees	\$ 50,000
Technology Controls/Demolition	\$ 50,000
Cost of Issuance and Capitalized Interest	<u>\$ 108,000</u>
Total Cost	\$2,000,000

Comments: The Superintendent spoke about the project. There are 1,200 new homes approved in a district with only 1,268 students currently. Officials are concerned about the future and pending needs. A new elementary school was recently opened in the district. They expect at

least sixty new homes per year. Monrovia High School was built in 1966 with little improvements to the structure since. The HVAC system has problems and the roof also needs updates. A large tax increase was recently experienced in the school district due to the new elementary school and officials decided to hold off on this project. This bond issue will be tax neutral. They applied for a common school loan, but they did not qualify. Officials do not believe in the long term they could build a new high school. The school board and community are supportive of this project. They will reduce the Capital Projects fund the first five years of repayment until some current debt is paid off. Officials expect to realize \$200,000 through energy savings due to this project. The elementary school is serviced by the REMC and the middle and high schools by Indianapolis Power & Light and both companies advised them to expect savings.

Mr. Ruhl continued the discussion. He said the plan is to pay this bond issue back on a tax rate neutral basis. They looked at level payments over twenty years and less principal payment initially with seventeen year term to maintain lower interest expense.

Mr. Mills asked how many students are in the district and the Superintendent said 1,286. Mr. Mills asked how many students attend the high school and the Superintendent said 400. They used the old elementary school for a middle school and there are approximately 100 students per grade level.

Mr. Umbaugh noted he liked the way the payments were structured.

Mr. Mills asked if the \$2 million covers both the roof and HVAC projects. The Superintendent said the project is both and they will adjust as bids come in.

Mr. Bowen asked if the projects would be bid separately. The Superintendent said a couple of firms have looked at the facility. Mr. Bowen asked if the HVAC project includes energy management and the Superintendent replied yes. Mr. Bowen said he has discussed these contracts and has sought an opinion from the Attorney General's office. He said it was the opinion of Ice Miller that a firm having an engineer on staff to approve was sufficient. Mr. Bowen did not feel that met the intent of the law. The Superintendent said Odle, McGuire and Shook has been working with them on this project.

Mr. Nemeth asked if officials anticipate real savings in energy costs. The Superintendent said they experience extreme temperature differences in the facility currently. They are confident they will see savings based on the nature of the building and the system. Mr. Nemeth questioned the cost of the project being \$2 million. The Superintendent said they looked at what they could afford to do and keep this tax rate neutral. Mr. Nemeth questioned whether the cost was limited due to the petition and remonstrance process. The Superintendent said no, the community approved this as part of the previous project and officials removed it to reduce the cost of the project. There have been no concerns expressed by the community about this project.

Motion: Mr. Mills made a motion to approve a general obligation bond issue in the amount of \$2,000,000. Mr. Bowen seconded the motion, which favorably carried 8-0.

Whitley County Consolidated Schools, Whitley County: Officials requested approval of a pension bond issue in the amount of \$2,500,000. The tax rate impact is \$0.0235. The term of the bond is 20 years. The Neutrality Resolution states the Bus Replacement and then the Capital Projects fund will be reduced in 2007 to offset the debt. This is the second pension bond request for this school corporation, with the first issue of \$4,200,000 approved by the DLGF on January 3, 2003. School officials will eliminate the unfunded liability with this issue.

Present for the hearing was Laura Huffman, Superintendent; Anthony Zickgraf, Business Manager; Rod Wilson, City Securities Corporation and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are requesting a pension bond issue in the amount of \$2.5 million to eliminate their unfunded liability. They initially received approval for \$4.2 million and the actuarial study determined a liability in the amount of \$6.7 million. They had reached an agreement and determined a finalized amount, funding what they could with the first bond issue. This bond issue will satisfy the remaining liability to employees. The actuarial study used a discount rate of 5%. Officials plan to reduce the Bus Replacement fund first, then the Capital Projects fund and the expected reduction is \$0.022. Officials have discussed this issue at several public meetings.

Mr. Mills asked how officials were handling the annual increase in health insurance premiums. The Business Manager said the study assumed a 10% increase in health insurance. Mr. Cassman said funds would be deposited into accounts based on growth rate and the present value, which was part of the deal that was approved. Mr. Mills asked if an age increment increase was calculated. Mr. Cassman said, since this is a group plan, they expect growth to be a percentage in the group in total. The price is based on the claim experience of the school corporation and the age of the individual is not a factor. Mr. Mills asked if the school corporation was responsible for covering increases in the health insurance premiums. Mr. Cassman said once deposits are made into the individuals' accounts, it is their responsibility.

Mr. Bronnert asked why the term of twenty years. Mr. Wilson said terms of fifteen to twenty-five years were considered, with twenty-five representing the longest term that matched individual retirements. The fifteen year term was too costly with respect to the neutrality issue. Mr. Bronnert asked about the condition of the buildings in the school district. The Superintendent said the facilities are in good shape. The next project would be at the high school and they are just beginning the process of looking at that facility. The Business Manager noted the high school was built in 1958.

Mr. Umbaugh asked if this issue would be financed through the Indiana Bond Bank and Mr. Wilson replied yes. Mr. Umbaugh asked if the fees reported on the hearing information sheet would be sufficient and officials replied yes as they expect them to be under 0.8%.

Ms. Hinline questioned the use of the Rainy Day fund. The Business Manager said they plan to use it for anything but salaries and that is still to be determined. The Superintendent said it could be used to address some of the needs at the high school.

Motion: Mr. Umbaugh made a motion to approve a pension bond issue in the amount of \$2,500,000. Ms. Hineline seconded the motion, which favorably carried 8-0.

Smith-Green Community Schools, Whitley/Noble County: Officials requested approval of a pension bond issue in the amount of \$1,000,000. The tax rate impact is \$0.0457. The term of the bond is 10 years. The Neutrality Resolution states the Capital Projects and Bus Replacement funds will be reduced in 2007 to offset the debt. This is the second request for a pension bond by this school corporation. The first issue of \$1,050,000 was approved by the DLGF on November 12, 2002. Officials have reached an agreement regarding the obligations.

Present for the hearing was Dr. Jacqueline Beery, Interim Superintendent; Lynn Leininger, Treasurer; Tom Grabill, Nate Day and Doug Cassman, Educational Services Company and Thomas Peterson, Ice Miller.

Comments: The Interim Superintendent spoke about the proposed pension bond issue. Officials are requesting this bond issue to eliminate their unfunded liability. This is the second request for a pension bond issue made by the school corporation. They are looking at a term of ten years to decrease the interest expense. They will need to offset the \$0.045 rate impact in another fund. They have a memo of understanding and school board approval for this supplemental pension bond issue.

Mr. Bowen asked about the status of negotiations. The Interim Superintendent said this issue has already been approved and negotiations for a new contract will begin this summer.

Motion: Mr. Umbaugh made a motion to approve a pension bond issue in the amount of \$1,000,000. Ms. Hineline seconded the motion, which favorably carried 8-0.

Eastern Pulaski Community School Corporation, Pulaski/Fulton County: Officials requested approval of a pension bond issue in the amount of \$2,940,000. The tax rate impact is \$0.0758. The term of the bond is 15 years. The Neutrality Resolution states the Capital Projects fund will be reduced in 2007 to offset the debt. This is the first request for a pension bond issue by this school corporation. The school has a tentative agreement and when it is ratified, the information will be forwarded to the DLGF.

Present for the hearing was Dr. Bob Klitzman, Superintendent; David Thompson, Rebecca Gervenka and Curtis Kramer, School Officials; Tom Grabill, Nate Day and Doug Cassman, Educational Services Company and Thomas Peterson, Ice Miller.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials request to issue these bonds to eliminate their unfunded liability. They have reached an agreement with teachers that was ratified and approved by the school board. The request is for \$3 million and the Capital Projects will be reduced to offset the debt. The facilities are in pretty good shape currently.

Mr. Bowen questioned the amount of the request and Mr. Peterson confirmed it was \$2,940,000.

Mr. Umbaugh asked what the school board vote was on the bond resolution and the Superintendent said 6-0. There is a vacancy on the school board currently. The teachers' association vote was unanimous.

Mr. Mills asked how many students are in the district and the Superintendent said 1,384.

Motion: Mr. Mills made a motion to approve a pension bond issue in the amount of \$2,940,000. Mr. Nemeth seconded the motion, which favorably carried 8-0.

Portage Township Schools, Porter County: Officials requested approval of a pension bond issue in the amount of \$8,000,000. The tax rate impact is \$0.0375. The term of the bond is 20 years. The Neutrality Resolution states the Capital Projects, Transportation, General and/or Bus Replacement funds will be reduced in 2007 to offset the debt. This is the second request for a pension bond by this school corporation. The first issue of \$6,461,000 was approved by the DLGF on April 16, 2002. Officials have an agreement with staff regarding retirement benefits.

Present for the hearing was Mike Berta, Superintendent; Dave White, Chief Financial Officer; Sharon Qualkenbush, Business Manager; Sid Baker, City Securities Corporation and Thomas Peterson, Ice Miller.

Comments: The Chief Financial Officer spoke about the proposed pension bond issue. Officials are requesting a pension bond issue in the amount of \$8 million. They have an agreement that has been ratified by the teachers and approved by the school board. This bond issue will completely eliminate the unfunded liability.

Mr. Umbaugh noted the forecasted liability was not reported on the hearing information sheet. Mr. Baker said the actuarial report only showed the present value. Mr. Umbaugh asked who prepared the study and Mr. Baker replied United Actuarial Services. Mr. Umbaugh requested that figure be reported to the DLGF.

Mr. Mills asked what the normal retirement age is in the district and the Chief Financial Officer said the study assumed age 59.

Ms. Hineline asked how the Rainy Day fund would be used. The Chief Financial Officer said it is for capital improvements and to pay additional utility costs.

Mr. Mills asked what the enrollment is in the district and the Chief Financial Officer said 8,100 students.

Mr. Umbaugh asked what the school board vote was on the bond resolution and the Chief Financial Officer replied 5 to 0.

Motion: Ms. Hineline made a motion to approve a pension bond issue in the amount of \$8,000,000. Mr. Bronnert seconded the motion, which favorably carried 8-0.

Washington Community Schools, Daviess County: Officials requested approval of a lease rental agreement with maximum annual payments of \$1,553,000 for 24 years. Total project costs are \$19,500,000. The tax rate impact is \$0.1160 with a new facility rate impact of \$0.01 expected. The Governor's representative abstained from the common construction wage vote, which was approved. There was no application for a petition and remonstrance process. The project fell well below the construction cost thresholds for additions.

Present for the hearing was Dr. Thomas Miller, Superintendent; Bruce Hatton, Assistant Superintendent; Jeff Hayes, School Attorney; Lonnie Therber, Therber & Brock and Thomas Peterson, Ice Miller.

Project: Washington Senior High School:

The Senior High School at Washington, Indiana is a two and three story structure built in 1965. The building consists of a Classroom-Auditorium component and a Gymnasium component.

Pre-renovation areas (inside exterior walls)

Bsmt. Floor	3,560
1 st Floor	102,420
2 nd Floor	71,450
3 rd Floor	<u>28,980</u>
	206,410 sq. ft. total

Post-renovation areas (inside exterior walls)

Bsmt. Floor	6,820
1 st Floor	108,160
2 nd Floor	71,450
3 rd Floor	<u>28,980</u>
	215,400 sq. ft. total

The Classrooms-Auditorium is a two story structure with a second floor framing consisting of pre-cast concrete columns, beams, masonry bearing walls, and pre-cast double and/or single tees. The Classroom-Auditorium has a flat roof and its framing consists of structural steel columns, beams, masonry bearing walls and bar joists with a steel roof deck.

The Gymnasium portion of the high school is a three story structure with second and third floor framing of poured-in-place reinforced concrete columns, beams and floor systems. The Gymnasium roof has a reinforced concrete perimeter frame with an arched, steel lamella roof system using bulb tees and tectum between lamellas. A small basement in the Gymnasium area houses a mechanical room and a weight training area.

The majority of the exterior walls consist of brick masonry with concrete masonry back up units. A portion of the west wall of the Classroom-Auditorium is normal 12" masonry block. Aluminum projected windows with clear single glazing are used throughout the Project.

The Senior High School was constructed before current ADA requirements were required; therefore toilet room modifications, door width modifications and elevators are necessary for code compliance.

The Gymnasium has a fixed seating capacity of 5,144 persons. Folding bleachers at the first and third floors expand the total seating capacity to just over 7,000 persons. Large toilet rooms are required near the Gymnasium to meet code compliance.

The renovation of the Senior High School will include the following:

- Central air conditioning throughout
- New classroom flooring
- New ceiling throughout
- New lighting throughout
- New additional circuitry in all rooms
- Chalkboards/tack boards
- New classroom furniture
- New classroom casework
- New exterior windows with low-e, insulating glass
- New doors, frames and hardware
- New toilet fixtures/toilet partitions
- New exterior entrance door

In addition to the above renovation work, all non-code compliance items will be remedied.

An addition north of the Gymnasium will include office space for the Athletic Director, Staff Offices, Physical Education areas and a Lobby/Concession area with toilets for patrons of Gymnasium activities.

Washington Jr. High School:

The Jr. High School at Washington, Indiana is a single story structure built in 1985. It is a steel framed building with sloping roofs. Roof framing consists of sloping bar joist, metal deck, nailable insulating components and asphalt shingle roofing. A center mezzanine area houses mechanical equipment. The exterior walls are brick veneer with insulation and nom. 8" block back-up. Existing windows are insulated glass and will be reused.

The Jr. High School construction incorporates most applicable code requirements, and has numerous construction components such as doors, frames and hardware that can be reused. However, space requirements are totally inadequate. New construction of a two story addition at both North and South court yards and at the area vacated by the demolished one-story shop area will provide adequate space required for a complete functioning Jr. High School.

The Junior High students will continue to eat at the Sr. High School cafeteria.

Renovations at the Jr. High School consist of the following:

- New lockers
- New floor covering throughout
- New casework
- New roofing (shingles)
- New classroom furniture
- New ceilings
- New lighting
- Additional computer room areas
- Teacher work areas
- Teacher toilets

Pre-Renovation Areas (inside exterior walls)= 19,385 sq. ft.

Post-Renovation Areas (inside exterior walls)= 40,515 sq. ft.

Comments: The Superintendent spoke about the project. The cost of the project is \$19.5 million for renovations and an addition at the Jr./Sr. High School. A feasibility study was conducted in 2004 with broad community support. The recommendation from that study was “to implement a capital improvement project at the secondary complex that includes a major cosmetic remodeling and infrastructure updating of the Jr./Sr. High School. Further, it is the belief of the committee that the project should include the addition of new space to house general education classrooms and ensure the separation of junior high and high school students and enhance the cafeteria space and service to make the consideration of a “closed campus” a practical possibility for the senior high school.” The project will consist of renovating the 40 year old high school and junior high complex while correcting all non-code compliance items. The new construction will provide approximately 14 additional classrooms, a separate junior high media center and an expansion of the current cafeteria. The new classrooms include computer labs, special education classrooms and technology lab, along with additional science, art and health rooms. The junior high is currently utilizing 13 classrooms in the high school. There are special education classes being held in large storage spaces. The junior high benefits from this project through improvements to technology to greatly enhance student opportunities, provide adequate space to students, better meet the middle school curriculum needs and special education mandates will be met. Officials believe this project falls below the state recommended cost per square foot guidelines in renovations and additions. The community supports this project as reflected in the fact that over 1,000 people signed the patron’s petition when only 100 were required. The school board approved this project by a 7 to 0 vote. Officials submitted a packet of photos presented at the 1028 hearing to show the areas needing improvement. This project was needed earlier, but they waited until current debt was lowered. The tax rate impact of this project is \$0.34, but will only be \$0.11 with old debt coming off.

Mr. Mills questioned the enrollment versus capacities listed on the individual project breakdown form. The current enrollment is 1,123 and the current and new capacities are 1,700 and 2,025 respectively. The Superintendent said they used 35 students per room to calculate the capacity.

Mr. Bowen questioned why there is a problem with available space. The Superintendent said they are trying to maintain class sizes at 17 to 22 students, but the capacity was calculated on 35

students per classroom. Mr. Therber noted the facility is beyond the day of the district's peak enrollment and there is space, but not adequate teaching space. Mr. Bowen asked if this project allows the district to reduce class sizes. The Superintendent replied it allows them more computer labs and gets the special education classes out of the areas intended to be storage space. Mr. Bowen asked if all the proposed new classrooms would be used and the Superintendent responded yes.

Mr. Besinger asked how many rooms the facility will have in total upon completion of this project. Mr. Bowen said the building analysis form reports 45 classrooms and Mr. Besinger felt there was a total of 90 classrooms currently. Mr. Besinger felt there was a lot of empty space in the building. Mr. Besinger asked if they were using all of that space. The Superintendent said the special education classes may have 8 students and art classes around 15 students and noted this facility was built prior to curriculum and technology changes. The Assistant Superintendent said there was a separate two-story junior high school when the high school was built. It was demolished and a one-story building replaced it. The junior high school is currently using 13 classrooms at the high school. There will be classrooms added in a courtyard to help achieve the desired separation. This project will restore the classrooms lost when the junior high school was replaced.

Mr. Bowen asked if this was a professional cost estimate and the Superintendent said yes from the architect. Mr. Bowen did not think the control board received the proper information.

Mr. Besinger asked how many teachers they have at the Jr./Sr. High School and the Superintendent said 70. The Assistant Superintendent said there are 45 in the high school and 25 in the junior high school. Mr. Besinger felt there would be empty spaces available if the facility has 90 classrooms. The Superintendent said teachers are allowed to stay in their classrooms during prep periods.

Mr. Nemeth asked who would act as the Clerk of the Works and the Superintendent responded they have not hired one yet. Mr. Nemeth asked if it would be a non-employee and the Superintendent said yes. Mr. Nemeth asked if officials would be reducing the space of the vocational program. The Assistant Superintendent said that is the area of the building to be demolished, which was built in 1920. Mr. Nemeth noted the fitness center area would be increasing. The Superintendent explained that space will be increased in the basement by utilizing current storage space.

Mr. Mills said he would like to see this information presented so the numbers match up. He believes the capacity is overstated and he is unable to determine if this project is necessary as the information was presented. The Superintendent noted that 14 of the 90 classrooms are actually 5'x5' band practice rooms. Mr. Therber said all space was accounted for on the building analysis form.

Mr. Umbaugh questioned that no capitalized interest was reported on the hearing information sheet. Mr. Therber said the \$975,000 that is listed represents the net capitalized interest. Mr. Umbaugh asked that the total capitalized interest and the revenue be reported to the DLGF along

with the combined debt service schedule. Mr. Umbaugh felt the local legal fees seemed higher than what the control board has seen.

Mr. Bronnert felt the Washington community is conservative and would not allow any project that is excessive.

Mr. Bowen suggested the control board table the project to the next meeting to allow officials the opportunity to demonstrate the project is necessary and Mr. Besinger agreed.

Motion: Mr. Besinger made a motion to delay action on the proposed lease issue until the May 18, 2006 School Property Tax Control Board meeting. Mr. Bowen seconded the motion, which carried 8-0.

Elkhart Community Schools, Elkhart County: Officials requested approval of a pension bond issue in the amount of \$35,000,000. The tax rate impact is \$0.0955. The term of the bond is 20 years. The Bond Resolution states the Capital Projects, Bus Replacement or Transportation fund will be reduced to offset the debt. This is the first request for a pension bond issue by this school corporation.

Present for the hearing was Mark Mow, Superintendent; Doug Hasler, Executive Director of Support Services; Nate Day, Tom Grabill and Doug Cassman, Educational Services Company and Jeff Qualkinbush, Barnes & Thornburg.

Comments: The Superintendent spoke about the proposed pension bond issue. They are requesting \$35 million to completely eliminate their unfunded liability. The forecasted liability is over \$78 million. There is a ratified agreement with the teachers that has been approved by the school board. There is a defined contribution plan going forward and officials are aware of the tax neutrality requirements.

Mr. Mills asked if this was the first request by the school corporation for a pension bond issue and the Superintendent replied yes.

Mr. Besinger noted the average payment was \$30,000 and asked what was the highest. Mr. Hasler said it is \$121,000 for 36 years of experience. Mr. Besinger asked if that amount would be higher for administrative positions. Mr. Hasler said that is not finalized at this time, but it would be fair to assume some would be higher. He noted the \$121,000 included severance and health insurance.

Mr. Umbaugh asked what the school board vote was on the bond resolution and the Superintendent replied 6 to 1. Mr. Umbaugh asked about the no vote and Mr. Hasler said it was based on the belief of that board member that the current health coverage for employees and retirees was too expensive.

Mr. Besinger asked if the administrative contract has been ratified. Mr. Hasler said it is not a negotiated process like the teachers, but are determined by school board policy. They expect to

finalize this in the next month. The Superintendent said it is their intention to completely buy out the old plan.

Mr. Mills asked if this would be done within the existing revenue pool and the Superintendent replied yes.

Mr. Umbaugh asked how the bonds would be sold and the Superintendent said as a competitive sale. Mr. Umbaugh asked if they would be sold through the Indiana Bond Bank and the Superintendent said they have been looking at the Bond Bank as well.

Mr. Hasler noted \$5 million or less of this bond issue is expected to cover the cost of administrative staff.

Mr. Besinger felt there was no guarantee there will not be an unfunded liability remaining with the administrative costs still outstanding. The Superintendent said the guarantee is the desire of officials to not leave anything unfunded. Mr. Besinger felt that was not guaranteed until the school board votes on this issue.

Mr. Bronnert asked if this issue will be resolved before June 30, 2006 and officials replied yes.

Mr. Umbaugh asked if the bonds have been rated and Mr. Hasler replied yes. Mr. Umbaugh asked which agency rated the bonds and Mr. Hasler answered Moody's. Mr. Umbaugh asked if there would be bond insurance on this issue and Mr. Day said yes. Mr. Umbaugh asked if that would be determined by a competitive process and Mr. Day replied yes.

Mr. Bronnert asked what would be reduced to offset this debt. Mr. Hasler said they expect the Capital Projects fund to bear most of the burden. Mr. Bronnert asked about the condition of the facilities in the district. Mr. Hasler said they continually evaluate building needs and expects a future lease rental to address needs. The needs in the Capital Projects fund should be reduced by the work that has been completed. Officials recognize the General fund will benefit from the elimination of the severance costs that are currently being paid from that fund.

Motion: Mr. Umbaugh made a motion to approve a pension bond issue in the amount of \$35,000,000 subject to administration costs being approved and reported to the DLGF. Mr. Besinger seconded the motion, which carried 8-0.

Wa-Nee Community Schools, Elkhart/Kosciusko County: Officials requested approval of a lease rental agreement with maximum annual payments of \$762,000 for 15 years. Total project costs are \$7,065,000. The tax rate impact is \$0.0759 with no new facility appeal planned. The Governor's representative abstained from the common construction wage vote, but the wage scale was approved. There was no application for a petition and remonstrance process.

Present for the hearing was Joe Sabo, Superintendent; Janet Gruwell, Business Manager; Scott Schafer, School Official; Cletis Miller, School Board President; Tim Shelley, School Attorney; Larry Thompson, Nappanee Mayor; Kari Vilamaa, Architect; Randy Ruhl, City Securities Corporation; Ralph Gerhart, Municipal Finance Corporation and Thomas Peterson, Ice Miller.

Project: Wakarusa Elementary School:

The additions consist of five regular classrooms and one music room. The entire addition is 9,447 square feet. The design will be such that it will match the existing classroom environment including layout, windows, colors and lighting. Construction is concrete masonry walls, brick exterior, steel roof structure with shingles all to match the existing building. The music room will be similar so it can be used for a regular classroom if necessary. The existing music room is not easily accessed since it is located behind the stage in the gymnasium. This space will be converted to another use. A small storage room is included in the design. Two small student restrooms will also be added. The only site changes involved will be relocating some playground equipment. Capacity will shift from 93% to 75% with the addition. Project cost is \$1,390,756.

Woodview Elementary School:

The additions consist of four regular classrooms and one music room. The entire addition is 7,300 square feet. The design will be such that it will match the existing classroom environment including layout, windows, colors and lighting. Construction is concrete masonry walls, brick exterior, steel roof structure with shingles all to match the existing building. The music room will be similar so it can be used for a regular classroom if necessary. The existing music room is not easily accessed since it is located behind the stage in the gymnasium. This space will be converted to another use. An existing classroom will be remodeled into two student restrooms. A small storage room is included in the design. Two small student restrooms will also be added. The only site changes involved could be relocating some playground equipment.

Woodview Elementary and Wakarusa Elementary are almost identical buildings in design, construction and year built. Woodview originally had two additional classrooms. One of these classrooms will be remodeled into two student restrooms. When the project is completed these two schools will be identical. Capacity will shift from 96% to 83%. Project costs are \$933,054 for the addition and \$73,753 for remodeling.

Nappanee Elementary School:

The proposed work at this school consists of 17,382 square feet of new additions and 12,402 square feet of remodeling. The new additions include seven 900+ square foot classrooms, an office suite, and a staff work/dining room. Construction will be concrete masonry walls, steel roof structure with single ply membrane.

The remodeling involves converting ten 750 square foot classrooms into eight 900+ square foot third and fourth grade classrooms. The existing office suite will be converted into a computer lab and the cafeteria will be expanded to accommodate the additional student enrollment. Security will be greatly improved as all visitors must enter through the office suite.

The site will also be impacted as the school bus drop off and pick up will now be on the south side of the school and all staff and visitor parking will be on the north side thus keeping the two

areas separate. The hard surface playground area will need to be relocated as will the playground equipment to make room for the additional classrooms.

This school was originally built in 1956 as a high school and served as a middle school from 1970 until 1994 when it was converted to an elementary school. This is why the gymnasium and bleacher seating capacity is much greater than the other two elementary schools. Capacity at the school will shift from 98% to 68%. Project costs are \$2,941,515 for the addition and \$1,403,822 for remodeling.

Comments: The Superintendent spoke about the project. The school district is located in Elkhart and Kosciusko counties. They have one high school, one middle school and three elementary schools and have an enrollment of 3,264 students. The proposed project will add classrooms at the three elementary schools due to increased enrollment and being at capacity at two sites. The project at Wakarusa Elementary School involves the addition of six classrooms and two small student restrooms. Woodview Elementary School will have an addition of five classrooms and two small student restrooms. Nappanee Elementary School will have an addition of eight classrooms and renovation to the north wing to increase the current classrooms to the desired 900 square feet. There will also be some remodeling to the computer lab, restrooms and office suite to improve security. Officials are expecting growth based on a demographic study completed in February 2005. The special education class is being held in locker rooms and some classes are held in hallways and the stage area. They will have the ability to house 700 to 750 students at each elementary school upon completion of this project. They have held several public hearings and the community supports this project.

The School Board President continued the discussion. The school board vote was 7 to 0 in favor of the project. There was a board member that felt a new middle school was needed. Some felt a new facility was needed, but then determined renovating would be better due to the costs of new construction.

The Superintendent read a statement from the Town Manager of the town of Wakarusa in support of the project.

Larry Thompson, Mayor of Nappanee, continued the discussion. He feels the school board has been conservative and there are 500 single-family homes currently approved. He has heard no negative comments about the project. He said the focus of both communities is on the school system.

The Superintendent summarized by saying the project will add nineteen new classrooms and renovate eleven with a total cost not to exceed \$7.2 million.

Mr. Mills asked if Nappanee Elementary has any mechanical issues. Officials said a new chiller will be installed. Mr. Mills questioned whether it was prudent to carry a fifteen year term on technology equipment.

Mr. Umbaugh asked for an explanation of what is included in the technology amount. Officials said it included phone systems and infrastructure as well as fire alarms and that it was not solely for computers. Mr. Umbaugh said he had no problems with the financing of this project.

Mr. Bronnert asked how many townships are covered by the school district and officials replied four in Elkhart County and two in Kosciusko County. Mr. Bronnert asked about the age of the high school facility and officials said it is 35 years old.

Mr. Mills asked if there are pending needs at the high school and the Superintendent said it may need to be addressed in the next five years. Mr. Mills asked about the enrollment in the district and the Superintendent replied they have 3,264 students.

Mr. Barrow asked about the current outstanding lease. The Business Manager replied the middle school and the two newer elementary schools are still outstanding.

Mr. Umbaugh noted the significant debt reduction that will occur in 2012-2013.

Mr. Bronnert asked if the architect would oversee the project. The Superintendent said that would be done by a school employee as well as the architect through an extended services agreement.

Motion: Mr. Umbaugh made a motion to approve a lease rental agreement with maximum annual payments of \$762,000 for 15 years. Mr. Bowen seconded the motion, which favorably carried 8-0.

South Bend Community School Corporation, St. Joseph County: Officials requested approval of a pension bond issue in the amount of \$16,000,000. The tax rate impact is \$0.0584. The term of the bond is 15 years. The Bond resolution does not specify the fund or funds to be reduced to offset the debt. This is the second request for a pension bond issue by this school corporation. The first request in the amount of \$16,700,000 was approved by the DLGF on December 16, 2002.

Present for the hearing was Joan Raymond, Superintendent; Robert Orlowski, Assistant Superintendent; Curt Pletcher, HJ Umbaugh and Rich Hill, Baker & Daniels.

Comments: The Superintendent spoke about the proposed pension bond issue. Officials are seeking approval of a pension bond issue in the amount of \$16 million to eliminate their unfunded liability. The term of this bond issue is fifteen years. The school board will adopt a resolution with their 2007 budget to address the neutrality issue. Officials have reached an agreement with the teachers and other employee groups.

Mr. Pletcher said the first pension bond issue was in the amount of \$16.7 million and coupled with this issue amounts to a total of \$32.7 million versus the estimated present value of \$46 million.

Mr. Mills asked about the age of the teaching staff. The Superintendent said the average teacher age in their district is 47 years old. They have reduced costs through attrition and the buildings are in good shape. Mr. Mills asked about the enrollment in the district and the Superintendent said it is around 22,000.

Mr. Umbaugh said the Bond Bank fees seem higher than others. Mr. Pletcher said the fee amount was based on the first bond issue. Mr. Umbaugh asked if the Bond Bank was charging over 1% and Mr. Pletcher replied yes.

Mr. Barrow asked if the agreement has been ratified. The Superintendent said the tentative agreement needs to be ratified by the teachers and approved by the school board. Mike Shanesy of the ISTA confirmed there is a tentative agreement to be ratified and that he expected the control board would approve this issue subject to the ratification.

Motion: Mr. Umbaugh made a motion to approve a pension bond issue in the amount of \$16,000,000 subject to the ratification of the agreement. Mr. Mills seconded the motion, which favorably carried 7-0-1. Mr. Besinger abstained from the vote.

Adjournment: There was no further business to discuss and the meeting was adjourned.